

**Remarks of
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to the
BORDER TRADE ALLIANCE
ANNUAL WASHINGTON, DC, CONFERENCE
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On behalf of President Bush and Transportation Secretary Mineta, I want to thank you for inviting me to be here with you today.

The Federal Motor Carrier Safety Administration (FMCSA) was created to reduce large truck and bus crashes, fatalities and injuries on our nation's highways. Today I want to talk to you about the U.S. Department of Transportation's efforts - working with other Federal agencies, States and industry - to fulfill our important mission.

Safety Goal

Safety is at the very HEART of what we do at the DOT and FMCSA. In 2003 nearly 43,000 people died on our nation's highways. Of that number, nearly 5,000 deaths were related to commercial motor vehicles.

DOT has set an aggressive goal to reduce the number of fatalities on our nation's highways. We are committed to reducing the rate of fatalities by 41 percent from 1996 to 2008. We know to reach this goal, we must work with all of you, our partners in the international trade, logistics and motor carrier communities, to improve safety.

Transportation Moving the Economy

Safety is our primary mission, but getting the economy moving has always been, and remains, a top priority for the President and his entire team.

One measure of our growing economy is DOT's Transportation Services Index (TSI). The TSI measures month-by-month changes in freight transportation activity among for-hire industries. It also tracks monthly changes in rail, bus, and air passenger travel. The TSI stands at its HIGHEST LEVEL in the 15-year period for which we have data.

It also shows just how much keeping our economy moving depends on keeping AMERICA moving. Our transportation system annually carries more than 16.3 billion tons of freight - valued at over \$12 trillion. As the economy continues to take off, we at DOT project freight volume will increase by more than 50 percent in the next 20 years.

While economic growth is welcome, it is affecting trucking in profound ways. Striking the balance between the demands of highway safety, homeland security and commerce is a formidable task.

There's no better example of this than at our borders. We must be thorough enough to identify unsafe trucks and drivers, yet efficient enough to allow compliant operators to pass quickly - whether they're traveling 20 miles or 2,000 miles. FMCSA is responsible for closely monitoring the safety performance of foreign-domiciled carriers, all of which must be prepared for safe operations in the U.S.

NAFTA

Since the implementation of the North American Free Trade Agreement (NAFTA), total U.S. trade with Mexico and Canada has increased over 70 percent, and trucks move nearly three-quarters of that trade.

Trade is a key component of President Bush's strategy for continuing to build a strong economy that creates even more jobs. And, the Administration feels very strongly that NAFTA is vitally important to our nation's commerce and our economy. Opening the market between Mexico and the United States for trucks and buses means *more opportunities* for American companies, *more jobs* for American drivers and *better deals* for American consumers.

Growing trade has consequences, stretching our border operations and transportation systems to the limit. We have to be mindful of the need to hold motor carriers, drivers and vehicles from Mexico and Canada to our own high safety standards. And, in fact, we're doing that.

Right now, we don't know when the southern border will open. DOT continues to work out the details of putting the truck and bus safety rules into effect. We're working through some issues regarding the on-site inspections of Mexican carriers, as required by Congress, and we can't open the border until those issues are resolved.

FMCSA and its State partners are ready to implement these rules. In fact, the DOT Inspector General's office just last month completed its annual audit of our procedures. They once again reported that we have met the requirements of the NAFTA truck and bus provisions mandated by Congress. And, we will continue to meet those requirements once the border is open.

Mexican carriers can apply for operating authority within the U.S. They must demonstrate their compliance with ALL FMCSA safety regulations, and border inspections will ensure that they meet our standards.

To date, 700 carriers have applied for authority to operate beyond the commercial zones. Most are small, with fewer than 10 tractors in their fleets. However, each application must be reviewed, and we are returning many to the applicants because of missing information. In fact, 70 to 80 percent of the applications we've received are incomplete.

The Bush Administration remains firmly committed to implementing the trucking and bus provisions of NAFTA. And, we hope we can resolve our issues with Mexico soon so

we can finally clear the remainder of the applications, conduct the audits on-site in Mexico and fully open the border.

FMCSA's Role in Cross-Border Trade

Our agency has a significant role in cross-border trade. Our efforts are best described in three words: partnership, programs and technology. We rely heavily on our relationships with our State partners. State enforcement agencies are at the forefront of commercial truck and bus inspections nationwide.

For more than 20 years, we have developed well-coordinated programs that effectively fund, train, and enable State inspectors to enforce Federal laws - with good results. These programs are joined together by technology that speeds the sharing of critical data on carriers, trucks, and drivers.

We also support the States in meeting the conditions for opening the borders that Congress established in 2002. FMCSA and other Federal Agencies work very closely with our State partners to maximize the efficiency of the border operations, while ensuring motor carrier safety.

Since 1995, Congress has allocated more than \$234 million to Border States for inspections and related activities. The focus, understandably, has been on the southern border because of NAFTA. And, the funds have produced the desired safety benefit.

Over roughly the last 10 years, the out-of-service rate for Mexican commercial motor vehicles has been cut in half - to about 24 percent. And, the driver out-of-service rate has dropped to just 2 percent - a tenth of what it was in the mid-'90s.

This dramatic reduction in both the driver and truck out-of-service rates is now comparable to the averages for U.S.-based carriers. This clearly demonstrates the effectiveness of Federal and State inspectors and operations. It also proves that many Mexican motor carriers are dedicated to complying with U.S. requirements.

State Inspection Facilities

In addition to Border State inspection operations, Congress appropriated close to \$160 million over the last three years to construct State inspection facilities along the southern border. We've worked closely with the Federal Highway Administration in allocating these funds.

These facilities are critical to maximizing the efficiency of border operations for conducting Federally-required truck and bus inspections. They enable Federal and State inspectors to target suspect carriers and vehicles and let complying carriers move through efficiently. They provide a safe area for performing inspections and the infrastructure for accessing valuable data on carriers, vehicles and drivers.

I was fortunate to attend the dedication of one of the State facilities constructed with these funds in Nogales, Arizona. I believe some of you were there. Hopefully, you were

as impressed as I was with the inspection station and its location adjacent to the U.S. Customs and Border Protection facility there. This station gives us the ability to speed vehicles through all the inspections that are required and then move them on their way.

At all 25 major commercial cargo crossings along the southern border, the cooperation between Federal and State agents is also impressive. Our staff coordinates their activities with the States so trucks are not inspected twice.

Programs

There are several programs that support the inspectors and facilities. We are lead in some programs; on others, we partner with the States or other Federal agencies. I believe we have very good programs for boosting safety, security and commerce - both in place and in development. These programs are strengthened by technology.

One way we have greatly improved access to necessary data is by equipping the southern border inspectors with hand-held computers, or PDAs. This gives them the ability to access a wide variety of critical information at the point of inspection. In seconds, inspectors can check the validity of a carrier's authority, insurance and the driver's license - on the spot. Having that data in their hands when they need it is critical for both Federal and State inspectors.

FAST

FMCSA also works cooperatively with Department of Homeland Security (DHS) and U.S. Customs and Border Protection (CBP) on several important border initiatives. In fact, we began performing truck and bus safety inspections at a handful of border crossings more than 10 years ago.

Our objective is the same today as it was then - carriers, vehicles and drivers operating safely will pass with minimal delay. Those who operate outside the law will be identified and the appropriate enforcement action will be taken.

Technology is playing a vital role in this effort as well. I know you're all familiar with CBP's Free and Secure Trade (FAST) program. FMCSA provides CBP access to driver and carrier information to support this program.

At 11 northern and seven southern border crossings, CBP is able to quickly confirm the status of a driver's license and a carrier's authority to operate in the U.S. Only safe and compliant carriers and drivers are allowed expedited clearance through the FAST program.

I realize many of you are concerned about the overall efficiency of this system. We continue to work with CBP and DHS to make FAST as effective as possible. FAST will expand to another seven crossings each on the northern and southern borders by this July.

ACE/ITDS

Another program where we're partnering with DHS is the Automated Commercial Environment and International Trade Data System (ACE/ITDS). FMCSA is the first non-DHS agency to participate in the development and deployment of this system.

ACE/ITDS works in tandem with FMCSA's collected data systems to give inspectors quick access to safety and security information on carriers, vehicles, drivers, and specific shipments. The program allows inspectors to distinguish between safe and unsafe trucks and drivers BEFORE they reach the border. This keeps vehicles from being delayed needlessly by inspections.

Our agency is working closely with CBP to deploy the truck electronic manifest portion of ACE/ITDS. We're currently performing an ACE/ITDS pilot test at the crossing in Blaine, Washington, and FMCSA and CBP are developing a schedule for future deployments of this test.

IRP/IFTA, Insurance Fraud and Training of Mexican Officials

Two other areas where we're working to expedite Mexican carriers crossing the border have to do with their attaining proper operating authority.

DOT is working to include Mexico in the International Registration Plan and the International Fuel Tax Agreement. Mexico has been an active partner in the plan's development. We have excellent communications with Mexican officials on the accommodations they need to meet vehicle registration and fuel tax requirements.

The IFTA membership already has approved Mexican carriers to begin participating in the program next January. And, the process is underway for the U.S. Border States to host Mexican carriers in the IRP beginning October 1st.

Another problem we're addressing at the southern border is insurance fraud. Motor carriers, especially those operating in the commercial zones, have been purchasing trip insurance policies from companies that don't exist. This, of course, puts shippers and freight at great risk.

We have alerted carriers along the border to watch out for insurance fraud. We also have posted on the FMCSA Web site information on the insurance commissioners in the four southern Border States. This enables carriers to easily check if the company they are doing business with is licensed in that state.

In addition, FMCSA is providing instructor training development to Mexican officials to qualify them as North American Standard Inspection instructors. This will provide Mexico with a core of certified instructors to train its CMV inspectors up to U.S. standards so they can inspect Mexican-domiciled vehicles on the Mexican side of the border, and then they would not have to be inspected again when they cross into the U.S.

We believe this program will improve our effort to bring Mexican carriers, trucks, and drivers into U.S. compliance and improve the efficiency of our cross-border inspections.

Close

As you can see from the number of programs we have underway, we continue to find ways to speed safe carriers across the border. Our objective is to use education to help safe carriers understand how they can quickly move through the border, while we spend our precious enforcement resources on those carriers who do not follow the proper safety protocols.

Thank you again for having me here to talk about FMCSA's programs at the borders.